



THE CITY OF NEW YORK
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MAYOR BLOOMBERG RELEASES HURRICANE SANDY FEDERAL AID REQUEST

Mayor Michael R. Bloomberg today released the City's request for Federal aid for recovery from Hurricane Sandy. The Mayor's letter and accompanying chart, sent today to members of the New York State Congressional Delegation, are below:

November 26, 2012

Dear New York Delegation Member:

As you are well aware, Hurricane Sandy caused extensive damage to the City of New York, impairing our infrastructure and displacing tens of thousands of people. While the impact of the storm will be felt for some time and the challenges are great, I am confident that the City will rebound and emerge stronger than ever.

Throughout this period the City has worked productively with New York State, and I am hopeful that together with our partners in the federal government, we will be able to secure the necessary resources for a successful recovery. Therefore I am requesting your assistance in securing supplemental and expedited funding for the City of New York.

We estimate total public and private losses to New York City from Sandy to be \$19 billion. After subtracting private insurance of \$3.8 billion and FEMA reimbursement of \$5.4 billion, the net cost to repair the damage caused by Hurricane Sandy will be approximately \$9.8 billion. This assumes a FEMA reimbursement rate of 75 percent of covered costs and necessary Congressional appropriations. Federal legislative action will be required to address the budget gap that will result once available FEMA funds and insurance proceeds are drawn down. This funding will be needed to address the significant local expenses that have been and will be incurred, including costs that are ineligible under FEMA such as hazard mitigation, long-term housing solutions, and shoreline restoration and protection.

Initial cost assessments include the following components:

- \$4.8 billion in uninsured private losses
- \$3.8 billion in insured private losses
- \$4.5 billion in losses to and costs incurred by City agencies
- \$5.7 billion in lost gross City product
- \$0.2 billion for US Army Corps of Engineers

(more)

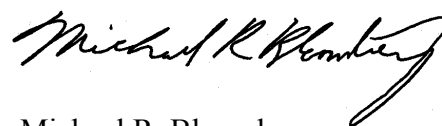
The City will struggle to recover in the long term unless expedited federal funding is supplied. Congress has long funded the response and recovery from natural disasters in supplemental appropriations. In the past decade Congress has authorized supplemental appropriations after hurricanes, floods, and tornados including \$120 billion worth of aid in several bills passed in the aftermath of Hurricane Katrina.

New York City agencies worked around the clock to implement preparatory measures to mitigate the effects of the storm as well as respond to its aftermath. Because of the sheer impact of destruction, many City agencies are only now beginning to focus on the recovery. For example, the Department of Transportation is estimating \$1 billion in incremental costs, including nearly \$800 million for street reconstruction alone. Additional federal assistance is required to ensure that the storm costs, currently estimated at \$4.5 billion for City agencies, do not compromise the services and operations that New Yorkers rely on the City to provide.

Whether it was a small retail store in Coney Island that lost its inventory in a flood or a restaurant in Staten Island forced to close due to a loss of power, Hurricane Sandy caused an estimated \$5.7 billion in lost gross product in the City. These businesses are crucial to the City's economy and to the communities that rely on their services, and the work of recovery will not be complete until they are back in business.

Four weeks ago, as Sandy was approaching our shores, President Obama committed federal resources to this storm and its recovery. Since then we have worked closely with his Administration on everything from cleanup to temporary housing. With our combined efforts, I am confident that we can secure the funding needed to ensure the swiftest and smartest recovery for New York City. Thank you for your leadership on this issue.

Sincerely,

A handwritten signature in black ink, reading "Michael R. Bloomberg". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Michael R. Bloomberg
Mayor

Estimated Losses to New York City from Hurricane Sandy (Billion \$)¹
(As of 11/25/2012)

Direct Losses:	
<i>Private</i>	
Insured ²	\$3.8
Uninsured ³	\$4.8
Total Private Losses	\$8.6
<i>Public⁴</i>	
City Agencies ⁵	\$4.5
Non-City Agencies ⁶	\$0.2
Total Public Losses	\$4.7
Total Direct Losses	\$13.3
Indirect Losses:	
Lost Gross City Product ⁷	\$5.7
Total Indirect Losses	\$5.7
Total (Private, Public, Indirect) Losses to New York City	\$19.0
Less Private Losses Covered by Insurance	(\$3.8)
Less Projected FEMA Reimbursements:⁸	
75% of Residential Private Uninsured Losses ⁹	(\$1.8)
75% of Public Asset Losses and Emergency Costs	(\$3.4)
90% of Public Uninsured Cleanup Costs	(\$0.2)
Total Projected FEMA Reimbursement	(\$5.4)
Total Net Losses to New York City (Less Private Insurance, FEMA Reimbursement)	\$9.8
Of which:	
Estimated Private Direct Uninsured Losses	\$3.0
Direct City Agency Losses	\$1.1
Estimated Net Indirect Losses	\$5.7
	\$9.8

¹ Numbers in table may not sum due to rounding.

² Calculated as New York City's share of high-end overall U.S. insured loss estimates from multiple insurance and risk management companies (Eqecat, AIR Worldwide, Dowling & Partners, Hiscox, Endurance, Willis, QBE, and RMS). New York City's share was estimated with AIR Worldwide county-level data for NYC boroughs, as a share of AIR's total estimated U.S. losses.

³ Estimated 125% for uninsured losses (as a share of insured losses); derived from estimates of past storm data from Swiss Re's report: "Sigma: Natural Catastrophes and Man-Made Disasters in 2011."

⁴ Estimates from the New York City Office of Management and Budget and the New York State Division of Homeland Security and Emergency Services.

⁵ Asset Losses and Emergency Spending. Includes costs of clean-up by City agencies; a more detailed breakdown was not available from individual agencies as of November 21, 2012.

⁶ Additional Cleanup Costs; U.S. Army Corps of Engineers.

⁷ Estimate from Moody's Analytics.

⁸ Based on the standard projected FEMA share of 75% of eligible costs for major disasters. Subject to caps on the amount of assistance per individual household. Cleanup costs are estimated at a higher 90% rate based on communications with the New York City Office of Management and Budget.

⁹ Assumed 50/50 split of Private Uninsured Losses between residential and commercial. All disaster-related assistance to businesses is in the form of loans, so the commercial portion is excluded from the estimated 75% FEMA reimbursement share.